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TAGS: [SNAR](#) [EFIN](#) [PGOV](#) [KCRM](#) [LG](#)
SUBJECT: LATVIA'S FIU ANNOUNCES TWO OF ITS BIGGEST CASES
SINCE 1998

Classified By: Charge Tamir Waser for reasons 1.4 b and d

¶1. (C) Summary: It was recently announced that Latvia's Financial Investigations Unit (FIU) handed over two of their largest cases to the Prosecutor General's office since 1998. These two cases involved over 160 people and companies from all over Latvia and well over four million USD in illegal funds and laundered money. FIU reports that these particular cases involved only Latvians and that there was no international component or involvement. End Summary.

¶2. (C) In a rather rare press announcement, FIU announced in mid-May that two major money laundering cases have now been forwarded to the Prosecutor's office. These two cases are the largest money laundering cases in Latvia since 1998. The first case is primarily associated with tax evasion and salary schemes and involves over 60 people and millions of dollars. In a meeting with Pol/Econ Off, FIU head Viesturs Burkans said that this group was very well organized and the GOL is not clear on who was the primary organizer/coordinator of the scheme and continues to investigate. So far, this particular case only involves Latvians and there is no evidence of foreign customers or involvement; Burkans was doubtful that they will find any evidence of foreign involvement.

¶3. (C) The second case involves over 100 people and companies. These companies laundered money through the Latvian financial system using car sales to legitimize the money on the local market. Burkans jokingly pointed out the recent increase in fancy cars on the streets of Riga as evidence to the fact. Again, Burkans said that evidence to date indicates that only Latvians are involved.

¶4. (C) Both cases have been passed to the Prosecutor's office but Burkans predicts that it will take time before they move to trial. Burkans feels that though in theory it could only take months, it will probably take years because of the number of people and companies involved. Each company and each individual will be individually audited by the Prosecutor's office in addition to a regular audit by the State Revenue Service. However, the assets in question are expected to be frozen soon. Burkans reports that a judge has received the request to freeze all assets associated with this case and he expects a quick and favorable decision resulting in the freezing of two to four million dollars combined.

¶4. (C) Comment: When pressed about any possible

international connection or foreigners, especially Russian organized crime, involved with moving money from outside Latvia into the local financial system, Burkans said that he would be surprised if such a connection existed in these particular cases, and like most of his cases, these only involved Latvians. In the first instance, those involved were strictly interested in tax evasion. In the second instance, there is no evidence at this time to suggest involvement from outside of Latvia.

WASER